

July 3, 2007

****REVISED **** The following instructions pertain to billing for compound claims. You must submit a **Reason for Service Code** when billing a compound claim. If the Reason for Service code is not submitted, you will not receive payment for (Level Of Effort). This is found in the **DUR** segment.

Multi-Ingredient Compound Claim Submission – PLEASE REVIEW

As of July 2, 2007, changes to the process of multi-ingredient compound claim submission will be implemented for all OVHA beneficiaries. An updated Compound Payer Sheet is attached so that you can work with your software vendor to ensure that the NCPDP fields required for submission are available in your system.

In order for an ingredient to be considered for payment, the manufacturer or supplier of the individual ingredients **must participate in the Federal Rebate program** (as required by the Social Security Act SEC. 1927. [42 U.S.C. 1396r-8]). Listed below is a partial list of compound ingredient manufacturers/suppliers and whether they participate in the Federal Rebate program (Please Note: This list is not all inclusive). Contact your wholesaler for more information. The Clinical Call Center will not be able to serve as a resource for finding a manufacturer that participates in the Federal Rebate Program for a particular ingredient.

Participating Manufacturer & Labeler

Gallipot	51552
Mallinckrodt	00406
Paddock	00574

Non-Participating Manufacturer & Labeler

Hawkins	63370
Medisca	38779
PCCA	51927
Spectrum	49452

A compound that may contain some ingredients that offer Federal Rebate but others or all that do not will reject with a reject code of 70 with local messaging of "Ingredient NDC not covered". In these situations, the pharmacy may call the Clinical Call Center at 1-800-918-7549 to determine which ingredients are payable and the pharmacy can re-submit the claim with **ONLY** the payable ingredients. There must be two remaining payable ingredients in order for the claim to process.

All compounds must contain **more than 1 ingredient**. Compounds submitted with only 1 ingredient will reject with a reject code of 76 with local messaging of "Minimum ingredients of 2".

Compound indicator must be "2" (indicating a multi-ingredient compound).

NDC field in claim segment (i.e. Product/Service ID) (not individual ingredients) must contain **11 zeros**. If an actual individual NDC is submitted in the Product/Service ID, the claim will reject with a reject code of 70 with local messaging of "Submit 11 zeros in the Product/Service ID and complete compound detail – more than 1 ingredient required".

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New Compounding Fee for Multi-Ingredient Compounds

A compounding fee (in addition to the \$4.75/\$3.65 dispensing fee) will be provided based on the level of effort (dosage form) of the product compounded. The compounding fee is based on the existing \$0.35 per minute fee applied to the level of effort identified for a specific dosage form (See chart below). If no level of effort is submitted, only the dispensing fee will be paid.

Level of Effort Code	Dosage Form	Proposed Fee in Addition to Dispensing Fee of \$4.75 (or \$3.65 out-of-state)	Fee Equates to "X" minutes @ \$0.35 per minute
11	Oral solution Oral suspension Enema	\$ 5.25	15 minutes
12	Topical ointments, creams, gels, lotions	\$ 7.00	20 minutes
13	Capsules \leq 60 units Powder Papers \leq 60 units Suppositories	\$ 8.75	25 minutes
14	Capsules $>$ 60 units Powder Papers $>$ 60 units Ophthalmic Preps Injectables, sterile	\$ 10.50	30 minutes
15	Cancer chemotherapy injectable, sterile	\$ 14.00	40 minutes

For questions regarding compound claims submission, please contact Nancy Miner (MedMetrics Program Representative) by email at nancy_miner@medmetricshp.com or by phone at 1-802-879-5638.

Vermont Medicaid Consolidated Payer Sheet for VT Pharmacy Use

Special Notice for Compounding

Bin #: 610593

PCN: VTD (for Part D Wrap claims) or VTM (for Traditional OVHA claims)

States: Vermont

Accepting: Claim Adjudication, Reversals

Format: NCPDP Version 5.1

Segment and Field Requirements by Transaction Type

BILLING (B1), REVERSAL (B2), and REBILLING (B3) TRANSACTION DATA ELEMENTS

(M = Mandatory, S = Situational, R = Repeat Field)

Transaction Header Segment - Mandatory			Segment is Required.
NCPDP Field	Field Name	Mandatory Situational Repeating	COMMENTS/VALUES
101-A1	BIN NUMBER	M	610593
102-A2	VERSION/RELEASE NUMBER	M	51
103-A3	TRANSACTION CODE	M	123
104-A4	PROCESSOR CONTROL NUMBER	M	VTM or VTD (Members with Medicare Part D use VTD)
109-A9	TRANSACTION COUNT	M	Up to 4 allowed
202-B2	SERVICE PROVIDER ID QUALIFIER	M	Use 01 - National Provider (NPI) ID
201-B1	SERVICE PROVIDER ID	M	NPI ID
401-D1	DATE OF SERVICE	M	CCYYMMDD
110-AK	SOFTWARE VENDOR/CERTIFICATION ID	M	Use value for Switch's requirements.
Claim Segment – Mandatory			Segment is required.
NCPDP Field	Field Name	Mandatory Situational Repeating	
111-AM	SEGMENT IDENTIFICATION	M	07
407-D7	PRODUCT/SERVICE ID	M	NDC, for OVHA compound claims submit 11 zeros in this field and completed field 489-TE
406-D6	COMPOUND CODE	M	Required for B1 & B3 claims. '2' if product is a compound.
420-DK	SUBMISSION CLARIFICATION CODE	S	As needed to override a reject (3 for vacation supply)
Compound Segment – Situational			Not Required.
NCPDP Field	Field Name	Mandatory Situational Repeating	
111-AM	SEGMENT IDENTIFICATION	SR	10– transmit only if the segment is transmitted.
489-TE	COMPOUND PRODUCT ID	SR	NDC of ingredient
448-ED	COMPOUND INGREDIENT QUANTITY	SR	Quantity of ingredient used in compound
449-EE	COMPOUND INGREDIENT DRUG COST	SR	Cost of each NDC dispensed
DUR/PPS Segment -- Situational			Segment is Not Required. Use encouraged if applicable Not required for B2 transaction.
NCPDP Field	Field Name	Mandatory or Situational	
111-AM	SEGMENT IDENTIFICATION	S	08 – transmit ONLY if the segment is transmitted.
474-8E	DUR/PPS LEVEL OF EFFORT	SR	Required if segment used.
439-E4	REASON FOR SERVICE CODE	SR	Required if segment used.

Technical assistance, pharmacy help desk: (800) 918-7545